

[32]

LETTER

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING

A REPORT SUPPLEMENTARY TO HIS REPORT OF THE FIRST INSTANT,

ON

THE STATE OF THE FINANCES.

DECEMBER 28, 1820.

Referred to the Committee of Ways and Means.

WASHINGTON:

PRINTED BY GALES & SEATON.

1820.

TREASURY DEPARTMENT,

21st December, 1820.

SIR: In conformity with the provisions of the 8th section of the act of the 1st of May, 1820, entitled "An act in addition to the several acts for the establishment and regulation of the Treasury, War, and Navy Departments," statements are annexed to the estimates of the public expenditure for the year 1821, which are herewith transmitted, shewing—

- | | |
|--|-----------------|
| 1. That the permanent appropriations, and those for a term of years not yet expired, amount to | \$11,581,975 00 |
| 2. That, of the sums appropriated for 1820, and previous years, it is estimated that there will remain on the books of the Treasury, on the 1st of January, 1821, | 6,907,619 03 |
| 3. That there will be, on that day, in the hands of the Treasurer, as agent of the War and Navy Departments | 927,241 29 |
| 4. That the whole amount of unexpended balances of appropriations, subject to the disposition of the Executive government, during the year 1821, is estimated at | 7,834,860 32 |
| 5. That, of that sum, there will be required, to defray the expenses incurred in 1820, or necessary to effect the objects for which the several appropriations were made | 3,632,659 41 |
| 6. And that there will remain unexpended, and not necessary to effect the objects for which the several appropriations were made | 4,202,200 91 |

As it is ascertained that the sum of \$4,202,200 91, with the exception of \$1,860,437 57, which have been deducted from the estimates of the War Department for 1821, and which will form a part of the expenditure of that department during the year, will not be required, if that amount should be directed to be carried to the account of the surplus fund, the estimates for the year 1821, and the balance against the Treasury on the first day of that year, as presented in this report, will remain to be provided for.

It may be proper to observe, that all sums which will be carried to the account of the surplus fund, on the 31st day of this month, are not comprehended in any of the foregoing statements.

Inaccuracies having been discovered in the estimate of the probable expenditure of the year 1821, presented in the annual Treasury Report of the 1st instant, resulting, principally, from the different manner of keeping the warrant and appropriation accounts in the Trea-

sure, War, and Navy Departments, I avail myself of this occasion to correct those inaccuracies, and to present the amount of the deficiency which will have to be provided for during the ensuing year.

The receipts into the Treasury during the year 1820,
and the amount remaining in the Treasury on the
first of January of that year, were estimated in
the annual report at - - - \$22,326,244 63

The payments from the Treasury, to the 30th of Sep-
tember last, amounted to - - - 16,908,413 80

Which, being deducted from the aggregate amount
above stated, leaves for the service of the 4th
quarter - - - 5,417,830 83

The payments made in the 4th quarter, and those
which are required to complete the service of the
year 1820, are as follows:

Civil, diplomatic, and
miscellaneous, alrea-
dy made - - \$476,920 05
and to be made - - 930,293 51

1,407,213 56

Military department, al-
ready made - - 93,688 90
and to be made - - 665,164 61

758,853 51

Naval department, al-
ready made - - 1,446,228 00
and to be made - - 1,110,000 00

2,556,228 00

Public debt, payments already made,
and to be made - - - 4,900,000 00

Making the aggregate sum of - - - 9,662,295 07

And leaving a balance against the Treasury, on the
1st January, 1821, of - - - 4,204,464 24

To avoid complexity, the sums estimated to be necessary to complete the service of the year 1820, or to effect the objects for which the several appropriations were made, are, in the above statement, considered a charge upon the Treasury during the fourth quarter of the year; although it is probable that a portion of those sums may not be drawn until late in the ensuing year, and, possibly, a small part not before the year 1822. In the annual report, no sum was charged upon the 4th quarter, but what was understood would be drawn.

The estimate of the receipts into the Treasury during the year 1821, presented in the annual report of the Treasury, amounts to - \$16,550,000 00

The estimate of the public expenditure for that year is as follows:

Civil, diplomatic, and miscellaneous 1,769,850 04

Civilizing the Indians, and Indian trade 29,200 00

Military department, including fortifications, ordnance, Indian department, revolutionary and military pensions, arming the militia, arrears prior to the 1st January, 1817, and the sum of \$1,860-437 57, which has been deducted from the estimates, and is not included in the above balance against the Treasury 6,798,515 18

Naval department, including the gradual increase of the navy 3,428,676 81

Public debt, being the amount of principal and interest payable in the year 1821 5,477,776 76

Amounting together to - - 17,504,018 79

Which presents an excess of expenditure, beyond the receipts, of - - - 954,018 79

Which, added to the balance estimated against the Treasury on the 1st January, 1821, of - 4,204,464 24

Leaves, to be provided for, the sum of - 5,158,483 03

But the Secretary of the Navy has stated, in his letter of the 18th instant, herewith transmitted, that, of the appropriation of \$1,000,000, for the gradual increase of the navy, not more than \$500,000 will be required in 1821; and, the residue being deducted 500,000 00

Will leave a balance against the Treasury of - \$4,658,483 03

It will be perceived that this balance is less than that presented in the annual report of the Treasury, by \$ 2,793,103 74, which amount consists, 1st, of the sum which, it has since been found, will not be wanted for the naval service; 2d, of balances of appropriations, for civil list, and miscellaneous objects, which, it appears, upon subsequent examination, will not be required; 3d, of an excess in the estimate of the charge for the military service, resulting from the different mode of keeping the warrant and appropriation accounts in the different departments; and, 4th, of the balance in the hands of the Treasurer, on the 1st of January, 1820, as agent of the War Department, which ought to have been deducted from that charge, as it had already been drawn from the Treasury.

In determining the amount of the loan which will be necessary for the service of the year 1821, if that shall be the only mode resorted to for meeting the deficiency, it is proper to state, that, of the sum now in the Treasury, there are upwards of \$ 600,000, of special deposite, which cannot be available during the year. The time necessary to transfer the revenue collected in the western states, and in those bordering on the gulf of Mexico, beyond what is expended in those states, to the places where it will be expended, may be estimated, upon an average, at six months. One half of the sums collected in those states may, therefore, be considered, through the year, as in a situation not to be applicable to the demands upon the Treasury; as it will be in transitu between the places of collection and those of expenditure. If this amount be stated at \$ 600,000, there will be, through the year, the sum of \$ 1,200,000 which cannot be considered as available.

To insure the prompt discharge of all demands upon the Treasury, and to place the public credit beyond the reach of accident, the sum of \$ 1,000,000 ought to remain in the Treasury. It is probable, that, of the appropriations for 1821, nearly that amount will remain in the Treasury, or in the hands of the Treasurer, as agent, at the end of the year. But it is considered unsafe to trust to that contingency. It is, therefore, respectfully submitted that provision be made for raising the sum of \$ 7,000,000 in aid of the funds which it is estimated will be received into the Treasury during the year 1821. If that amount should be raised by loan, the interest of the debt thus created will increase the public expenditure, and render the amount proposed to be raised indispensable.

I remain, with respect,

Your most obedient servant,

WM. H. CRAWFORD.

The Honorable JOHN W. TAYLOR,

Speaker of the House of Representatives.

TREASURY DEPARTMENT,

13th December, 1820.

SIR: In presenting the estimates for the service of the year 1821, it is necessary, under the act of the last session, to estimate the sum remaining from former appropriations for the Navy Department, which will not be required to defray expenses incurred in the present year.

To enable me to perform this duty, I have the honor to request, that you will state what amount of the balance on hand of the appropriation for the gradual increase of the navy, and of the appropriation for 1821, will be required by the Department in the course of that year.

The balance now in the Treasury is estimated at \$1,610,000.*

I have the honor to be,

Very respectfully, Sir,

Your obedient servant,

WM. H. CRAWFORD.

Hon. SMITH THOMPSON,

Secretary of the Navy.

* Subsequent to the date of this letter there was drawn from the Treasury \$500,000 on account of the gradual increase of the navy.

NAVY DEPARTMENT,

December 18th, 1820.

SIR: In reply to your letter of the 13th inst. in relation to the amount that will be required in 1821, of the balance on hand of the appropriation for the gradual increase of the navy, and of the appropriation for the same object for that year, I have the honor to transmit a copy of a letter from the Commissioners of the Navy, which contains the information required; and, I would respectfully add, that it is believed, there will be no necessity for equipping, during the year 1821, any of the vessels authorized to be built under the act for the gradual increase of the navy, so that it may be safely calculated that only one-half of the appropriation under that act for the ensuing year will be required.

I have the honor to be,

With great respect, Sir,

Your most obedient servant,

SMITH THOMPSON.

Hon. WM. H. CRAWFORD,

Secretary of the Treasury.

NAVY COMMISSIONERS' OFFICE,

15th December, 1820.

SIR: The Commissioners of the Navy, in reply to the letter of the Honorable the Secretary of the Treasury to you, dated 13th inst. which you were pleased to refer to this board, have the honor to state:

That, if the unexpended balance of the appropriation for the gradual increase of the navy, was, at this time, \$1,610,000, and it should not be decided to equip, during the year 1821, any of the ships built under the gradual increase law, then this unexpended balance would be amply sufficient to cover all the probable expenditures during the year 1821, without the aid of any part of the appropriation for 1821; but, it is understood, that of this unexpended balance, only \$1,030,000 belong to the gradual increase; hence, it is probable, that this unexpended balance, and \$500,000 of the appropriation for the year 1821, will be required to meet existing engagements, and enable the Department to proceed in the execution of the law of 29th April, 1816; and, if it should be determined to equip any of the ships built under this law during the year 1821, an additional sum, proportioned to the number of ships to be equipped, would be required.

I have the honor to be, &c.

JOHN RODGERS.

Hon. Secretary of the Navy.

DEPARTMENT OF WAR,

November 14th, 1820.

SIR: I herewith transmit the estimates of this Department for the year 1821, amounting to \$4,585,352 61, of which \$2,590,136 17 is on account of the army, including the military academy; \$1,381,079 on account of Fortifications and Ordnance; \$614,137 44 on account of Pensions, arrearages prior to the first of January, 1817, and the Indian department; and, agreeably to your request, I have annexed to the estimates the probable amount of the balances of the appropriations which will remain at the termination of this year, and may be made applicable to the service of the year 1821.

The estimate for the pay of the army is made on the supposition that the military establishment will be full; but as, in point of fact, that never is the case, and as the military establishment, including officers, will probably not much exceed ten thousand in the aggregate, at the commencement of the next year, it is believed that the sum of \$1,136,784 will be sufficient under this head for the year 1821; from which the probable balance remaining on the first of Ja-

uary next, amounting to \$166,029, being deducted, will give \$970,755 to be appropriated for pay.

Under the head of appropriation for forage, there will probably be a deficit of \$8,973, which, added to the estimate, gives the sum of \$51,573 to be appropriated for the service of the next year. It is proper to observe, that it is impossible to estimate accurately the amount under this head of disbursement, as, under the act of Congress, and the regulations of the department, the officers have, to a limited extent, the right of drawing forage in kind, or commuting it at the rate of \$8 per month for each horse, and that it is only in the latter case that it is paid out of the appropriation for forage. The expense in the former case is charged to the appropriation for the quartermaster's department.

The balance of the appropriation for retained bounties, &c. which will probably remain at the end of the year, will about equal the estimate, and consequently no appropriation will be required for the next year.

Appropriations equal to the estimates will be required for subsistence to the officers and clothing for their servants.

Of the appropriation for bounties and premiums, there will be a probable balance of \$52,082, which will be more than sufficient to meet the estimate for next year, and consequently no appropriation will be required. The large amount which will remain under this head of appropriation is principally to be accounted for by a credit amounting to \$35,364 56, with which it was credited, and subsistence debited, in the settlement of the account of Robert Brent, late paymaster general of the army; the effect of which has been to increase by that amount the former, and diminish the latter appropriation.

A balance of \$12,489 will probably remain of the appropriation for the contingent expenses of the recruiting service, which, being deducted from the estimate for the next year, leaves \$14,511 to be appropriated.

No balance will remain of the appropriation for contingencies of the army.

The appropriation for subsistence on the settlement since the last session of Congress of the accounts of Ward and Johnson, under their contract of the 20th July, 1815, and those of William T. Rathbone, under his contract of the 5th November, 1817, has become entitled to a credit of \$130,205 44 against the Indian department, which accounts, for the want of a sufficient appropriation in the latter department, remain suspended at the office of the Second Comptroller, and will require for their passage an increase of appropriation for Indian affairs equal to that amount. Of the sum thus brought to the credit of subsistence, about \$65,000 will be required for the service of this year, (subsistence having been debited nearly to that amount in the settlement of other accounts) and the remainder, viz. \$65,205 44 may be considered as a balance at the end of the year, and deducted from the estimate, which will leave to be appro-

priated for the subsistence of the army, in the year 1821, \$301,304 56. Of the appropriation for clothing, a balance will remain, amounting probably to \$13,162, which, deducted from the estimate, will leave \$369,125 56 to be appropriated.

About \$6,000 will remain unexpended of the appropriation for the Medical and Hospital Department, which, being taken from the estimate, will leave \$40,527 93 to be appropriated.

In the quartermaster's department there will be a deficiency of about \$20,000 00. It has been found impossible to bring the expenditure within the sum appropriated by that amount, which, being added to the sum estimated, will give \$483,540 00 to be appropriated.

The expenditure under the appropriations for the Military Academy and for fortifications will about equal the appropriation.

A balance will remain of the current expenses of the ordnance department of about \$42,671 00, which, taken from the estimate, will leave to be appropriated \$57,329 00.

Of the appropriation for the National Armories, a balance will remain of about \$10,000 00, which will leave \$350,000 00 to be appropriated.

The payments under the appropriation for arrearages, previous to the 1st January, 1817, will about equal the appropriation.

Under the operation of the act of the 1st May last, a balance will remain of the appropriation for revolutionary pensions of \$1,391,731, 13, which, it is believed, will be more than sufficient to meet the disbursements of next year, and no appropriation will accordingly be required.

A balance of \$101,068 00 will remain of the appropriation for invalid and commutation pensions, which, deducted from the estimate, will leave \$213,932 00 to be appropriated.

The payments under the appropriation for half-pay pensions will about equal the appropriation.

The expenditure under the appropriation for Indian Affairs will not equal the appropriation of the last session by a few thousand dollars, but, as that appropriation will be debited as soon as there is a sufficient appropriation by the sum of \$130,205 44, as has already been stated under the head of subsistence, it will be necessary to make provision in the next year's appropriation to meet this debt. It is believed that \$170,000 00 will be sufficient to meet the current disbursements of next year, to which add \$130,205 44, and it will give \$300,205 44 to be appropriated for the next year. It is proper to observe that this debit against the Indian Department has arisen principally from provisions issued in holding Indian treaties, which, being issued by the contractors, were in the first instance paid out of the appropriation for subsistence, but on the settlement of their accounts was brought to the debit of the appropriation for Indian affairs.

I have the honor to be,

Your most obedient servant,

J. C. CALHOUN.

The Hon. WILLIAM H. CRAWFORD,
Secretary of the Treasury.